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**GONE WITH THE WIND: A META-ANALYTIC REVIEW OF EXECUTIVE
TURNOVER, ITS ANTECEDENTS, AND POST-ACQUISITION PERFORMANCE**

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ABSTRACT

Considerable research has been devoted to examining the factors that influence post-acquisition performance. Yet, the empirical evidence remains inconclusive as to the extent to which these factors affect post-acquisition performance. Building on the theory of relative standing, we propose turnover of acquired firm CEO and top management team (TMT) as an important mechanism through which commonly examined firm and deal characteristics influence post-acquisition performance. Specifically, the examined antecedents represent conditions that create perceptions of diminished relative standing among acquired firm executives post-acquisition. First, we conduct a meta-analysis to quantitatively synthesize existing empirical research on the effect of the specified antecedents on executive turnover and on post-acquisition performance. Then, we combine meta-analysis with structural equation modeling to examine the links between four antecedents, executive turnover, and post-acquisition performance in a mediation model. Meta-analytic results (based on 114 studies and 399 effect sizes) reveal that the most significant factors affecting post-acquisition performance are executive turnover and the level of integration of the acquired firm. However, TMT and CEO turnover have opposite effects on post-acquisition performance. Our results also show that sample and measurement characteristics of primary studies moderate the identified relations. As expected, we find that CEO and TMT turnover mediate relations between three of the four examined antecedents and post-acquisition performance. We discuss theoretical contributions and provide directions for future research.

Keywords: *executive turnover, mergers and acquisitions, post-acquisition performance, meta-analysis, structural equation modeling*

“High turnover after an acquisition is more than just a symptom of organizational problems – it may be an important cause” (Krug, 2003: 15).

Acquisitions are a popular strategy used to achieve corporate growth and diversification, and enhance profitability through the realization of synergies; however, the majority of acquisitions fail to create value (King, Dalton, Daily, & Covin, 2004). The conditions under which acquisitions create value remains a burning question in the strategic management literature (Kim & Finkelstein, 2009). In their search for answers, scholars have examined the effects of a large variety of micro-, meso-, and macro-level factors (Haleblian & Finkelstein, 1999; Kim & Finkelstein, 2009). Nevertheless, the empirical evidence has been inconclusive as to whether the identified antecedents influence acquisition performance (King et al., 2004). The complexity of these relations may be the underlying reason for such results. It may also be the case that antecedents do not affect post-acquisition performance directly; rather, they may motivate strategic changes in the management cadre of acquired firms that, in turn, influence performance.

Indeed, past empirical evidence shows higher than average turnover rates among executives of acquired firms (Krug, Wright, & Kroll, 2014; Lubatkin, Schweiger, & Weber, 1999). Approximately one-quarter of the acquired firm’s top executives leaves within the first year of an acquisition’s completion (Krug, 2009). Another 15% can be expected to leave in the second year, and nearly 60% of top executives are lost within five years (Krug et al., 2014). It is commonly believed that turnover of acquired firm executives has negative implications for post-acquisition performance (Krug et al., 2014); however, this consensus may not necessarily be correct. As Krug (2009) notes, the relation between turnover of acquired executives and post-acquisition performance is a complex one, and opposing arguments for its direction exist. From an agency theory perspective, executive turnover is desirable because acquisitions are used to

discipline inefficient executives (Jensen & Ruback, 1983). On the contrary, the resource-based view (RBV) suggests that the loss of top executives is detrimental to post-acquisition success, for they possess valuable firm-specific knowledge and capabilities (Barney, 1988) that are critical to making acquisitions work (Jemison & Sitkin, 1986). Given these conflicting arguments, the reasons for replacing or retaining acquired executives may advance our understanding of acquisition performance and challenge the current consensus (Krug et al., 2014).

The aim of this study is to discover whether executive turnover following acquisitions is a mechanism through which antecedents influence post-acquisition performance. We focus on two firm characteristics (i.e., acquiring firm's acquisition experience and acquired firm pre-acquisition performance), and two deal characteristics (i.e., relative firm size and the extent to which the acquired firm's autonomy is removed) that represent conditions likely to create perceptions of low relative standing of acquired firm executives. First, we conduct a meta-analysis to quantitatively synthesize existing empirical research on the effect of the specified antecedents on executive turnover and post-acquisition performance. Then, we combine meta-analysis with structural equation modeling (MASEM) to determine whether executive turnover mediates the relations between the identified factors and post-acquisition performance.

In addressing these issues, we make four contributions to the literature. First, we contribute to acquisition research by cumulating the findings of published and unpublished research on the effects of commonly examined firm and deal characteristics on executive turnover and post-acquisition performance. The examined antecedents contribute to our understanding of executive turnover following acquisitions and how, in turn, such turnover affects post-acquisition performance. Specifically, these antecedents represent conditions that are likely to provoke perceptions of diminished relative standing among acquired firm executives

post-acquisition (Hambrick & Cannella, 1993). When executives feel or are seen as inferior, they are much more likely to leave or be replaced (Very, Lubatkin, Calori, & Veiga, 1997). The results of our analyses provide support for the theory of relative standing as an explanation of high turnover rates of acquired executives post-acquisition. Moreover, results of this study shed light on the debate surrounding the influence of executive turnover on post-acquisition performance. Meta-analysis allows us to provide empirical generalizations for the observed relations over distinct disciplines and across a large number of primary studies. By collecting data from 114 studies and extracting 399 effect sizes, our findings provide evidence of the relative influence of each antecedent on executive turnover and post-acquisition performance.

Second, by using MASEM we address questions difficult to cover in any single study (Bergh et al., 2014; Landis, 2013). A significant amount of research has been dedicated to examining the direct influence of various antecedents on post-acquisition performance (Datta, Pinches, & Narayanan, 1992; King et al., 2004). This is the first study, to the best of our knowledge, to propose and show executive turnover as a mediating mechanism in the antecedents–post-acquisition performance relations.

Third, we conduct parallel studies of CEO and TMT turnover to determine whether differences exist across studies in antecedents and consequences of these two types of executive turnover. In doing so, we accumulate evidence from distinct streams of research that have developed along separate lines. While the finance literature has focused on CEO turnover, the management literature has emphasized the role of top management team (TMT) turnover largely influenced by upper echelons theory, which acknowledges the key role of the TMT in setting the firm's strategic direction (Hambrick & Mason, 1984). Our study provides evidence that the two streams of research are interrelated and can benefit from further integration. Specifically, our

results show that TMT turnover negatively affects post-acquisition performance; conversely, the effect of CEO turnover appears to be positive. Future research should examine the similarities and differences between these types of executive turnover and their role in acquisition success.

Fourth, meta-analysis allows us to identify significant moderating effects of sample and measurement characteristics of primary studies. In this way, our findings help explain inconsistent empirical evidence in the literature about the relations under study.

THEORETICAL BACKGROUND AND HYPOTHESES

Despite the growing popularity of acquisitions in business practice, research to date has provided evidence that the majority of acquisitions fail to create value (King et al., 2004). Acquisitions are complex events, and low post-acquisition performance has been attributed to a variety of micro-, meso-, and macro-level factors (Hayward & Hambrick, 1997; King et al., 2004; Kroll, Wright, Toombs, & Leavell, 1997; Lubatkin, Narasimhan, & Merchant, 1997; Walker, 2000). Recently, there has been growing interest in the influence of acquired firms' executive turnover on acquisition success (Krug et al., 2014). This interest in executives is not surprising because "if we want to explain why organizations do the things they do, or, in turn, why they perform the way they do, we must examine the people at the top" (Hambrick, 1989: 5). Summarizing prior research, Mackey (2008) points out the important role of top executives in formulating a collective purpose for members of the organization, shaping organizational culture and infusing it with values, as well as directing the organization's course through times of uncertainty and change. The upper echelons' perspective views strategic choices and ultimately, the performance consequences of these choices, as reflections of the unique values, characteristics, and experiences of top managers. In addition, their intimate knowledge of the organization and its stakeholders makes them a difficult to replace resource (Kiessling, Harvey,

& Heames, 2008). Given their essential role in the organization, executives' departure is likely to have a substantial impact on a firm's performance (Virany, Tushman, & Romanelli, 1992).

Employee turnover and its implications for performance have been widely studied in the human resource management (HRM) literature, and collective turnover at the group-, unit-, and organization-level is attracting increasing theoretical and empirical research attention (Hancock, Allen, Bosco, Pierce, & McDaniel, 2013; Hausknecht & Trevor, 2011). Summarizing prior findings, Hausknecht and Trevor state that “[c]ollective turnover can lead to undesirable outcomes because it entails the loss of firm-specific human and social capital, disrupts operations and collective function, saddles remaining members with newcomer socialization and training, and increases recruitment and selection costs” (2011: 360). Thus, in addition to CEO turnover, we are interested in TMT turnover rate, a type of collective turnover likely to have significant consequences for firm performance. It is uncommon for decision-making, especially within large organizations, to be concentrated solely in the hands of the CEO (Krug, 2009). Rather, the complexity and uncertainty surrounding such organizations necessitate the inclusion of the entire TMT in the decision-making process (Hambrick & Mason, 1984). As Finkelstein, Hambrick and Cannella point out “studying the consequences of team-level turnover, particularly on performance, will allow eventually greater understanding than would be obtained by focusing on CEO turnover” (2009: 223)

Executive Turnover and Post-Acquisition Performance

Two dominant perspectives have been used to explain the link between executive turnover and post-acquisition performance. According to agency theory, acquisitions occur as a result of inefficient management of the acquired firm (Manne, 1965). Takeovers are conceptualized as external governance mechanisms for punishing ineffective executives, the last

resort after internal governance mechanisms have failed. The market for corporate control allows for the transfer of managerial control over the acquired firm's resources to the management of the acquiring firm who can reconfigure these resources and extract greater value (Jensen & Ruback, 1983). Consequently, agency theory argues that executive turnover is desirable, suggesting it has a positive effect on post-acquisition performance. This view was predominant early in acquisition research (Krug et al., 2014). However, later studies have provided evidence that acquisitions are not always a result of inefficient management of the acquired firm, providing limited support for agency theory and the theory of the market for corporate control (Walsh & Kosnik, 1993). Rather, firms that outperform their competitors may be acquired to gain access to valuable resources and capabilities they possess (Davis & Stout, 1992).

On the basis of this evidence, the resource-based view of the firm (RBV) provides a rationale for a negative relation between acquired firm executive turnover and post-acquisition performance. RBV states that firms engage in acquisitions to take advantage of potential synergies and to acquire, bundle, and leverage valuable, unique, inimitable, and non-substitutable resources (Barney, 1988). Thus, executives are viewed as valuable firm resources for they possess important firm-specific nontransferable knowledge, capabilities (Bergh, 2001; Jemison & Sitkin, 1986), and social capital (Hitt & Ireland, 2002). They are assumed to be difficult to replace; their loss is likely to negatively impact post-acquisition performance (Cannella & Hambrick, 1993) because newly appointed executives "sometimes lack the experience and knowledge that enable them to pick up where departing executives left off" (Krug & Nigh, 2001: 86). Furthermore, replacing acquired firm executives creates additional challenges in effectively integrating the acquired firm (Krishnan, Miller, & Judge, 1997). Acquisitions represent disruptive organizational events, and executive departures at times of uncertainty can break

needed leadership continuity (Krug, 2003), leading to further distress within the organization and affecting its external relations with stakeholders (Cannella & Hambrick, 1993). Acquired executives may be replaced with successors from outside the firm; however, human capital theory suggests that such a process is likely to prove difficult and costly. Hence, we predict that executive departures post-acquisition are responsible for poor organizational performance.

Hypothesis 1: There is a negative relation between acquired firm executive turnover and post-acquisition performance.

This discussion provokes two questions: Why do executives of acquired firms leave post-acquisition? Moreover, do different conditions associated with executive turnover help explain when executive turnover is more or less likely to threaten post-acquisition performance? Insights regarding the mediating role of executive turnover can provide a better understanding of the relations between antecedents and post-acquisition performance.

We focus on two firm and two deal characteristics: acquired firm pre-acquisition performance, acquiring firm acquisition experience, level of integration, and relative firm size. We consider these characteristics as indicators of conditions under which acquired firm executives are likely to vary in perceptions of relative standing. According to the theory of relative standing, individuals compare their status with that of others in a proximate social setting (Frank, 1985). The theory predicts that the relative standing of acquired firm executives is based on perceptions of status and importance with respect to acquiring firm top managers (Hambrick & Cannella, 1993; Lubatkin et al., 1999; Ranft & Lord, 2000), and can help explain dynamics that emerge post-acquisition. The arguments of relative standing are particularly applicable in the context of acquisitions because “acquired executives are placed in a new social setting in which comparisons to their acquirers as well as comparisons to their prior situation are inevitable and

salient” (Hambrick & Cannella, 1993: 736). In addition, the concept of relative standing explains both voluntary and involuntary departure of acquired executives; acquired executives are likely to experience diminished relative standing when acquiring firms’ executives act dominant and superior in status (Hambrick & Cannella, 1993). Such status degradation and loss of importance in the organization can lead to acquired executives choosing to leave or to expressing their dissatisfaction with the new social setting through subversive behaviors and suboptimal performance that can result in dismissal (Shrivastava, 1986). Prior research provides support for the theory of relative standing in the context of acquisitions, and the argument that both voluntary and involuntary turnover can be attributed to low relative standing (Hambrick & Cannella, 1993). For instance, studies show that lower relative standing is associated with higher departure rates of executives following acquisitions, and that lower relative standing results in declines in productivity of corporate scientists of acquired firms (Hambrick & Cannella, 1993; Paruchuri, Nerkar, & Hambrick, 2006; Ranft & Lord, 2000; Very et al., 1997).

Note that we are not directly measuring executives’ perceptions of relative standing, but rather measuring those conditions that may induce perceptions of lower relative standing (Hambrick & Cannella, 1993). As prior research has identified all four characteristics as antecedents of post-acquisition performance and executive turnover, the theory of relative standing allows us to develop further arguments about the role of acquired executive turnover as a mechanism through which these characteristics influence post-acquisition performance.

Firm Characteristics

Pre-acquisition performance. Research suggests that post-acquisition performance will improve following the acquisition of a poorly performing firm (Jensen & Ruback, 1983). A firm is motivated to acquire an underperforming firm so that it can improve performance by

reconfiguring the acquired firm's resources and assuming the responsibilities of acquired executives (Jensen & Ruback, 1983; Manne, 1965). Executive turnover following such acquisitions is desirable because executives are viewed as the underlying cause of poor performance. Executives whose firms are in financial distress are often blamed for incompetence and inability to turn the organization around (Hambrick, Geletkanycz, & Fredrickson, 1993), contributing to perceptions of lower relative standing of acquired executives. Accordingly, when acquired firm performance is poor, executives are more likely to be dismissed. Even if involuntary turnover does not immediately follow, acquired executives are likely to experience lower status and confined discretion that may ultimately lead to departure (Hambrick & Cannella, 1993). On the contrary, executives of high performing acquired firms are more likely to be viewed as valuable resources that should be retained for their knowledge, skills, and valuable social capital. Thus, when acquired firm performance is high, executives are less likely to leave because they can maintain discretion and favorable relative standing.

Poor firm performance is often attributed to CEOs because they occupy a central position in the TMT (Daily & Johnson, 1997). Following acquisitions of poorly performing firms, CEOs are likely to be dismissed or granted lower levels of discretion. Acquired CEOs with low relative standing may choose to depart voluntarily, as they are unwilling to accept a diminished role. However, replacing the acquired CEO may be a symbolic (Boeker, 1992) rather than substantial step in implementing a turnaround strategy. Acquiring firms may view the replacement of a larger proportion of the TMT necessary for a successful turnaround of the acquired firm. In addition, TMT turnover may elicit "concerns over security, status, and power" among remaining team members (Kesner & Dalton, 1994: 704). Therefore, acquisitions of poorly performing firms will be associated with higher collective turnover among TMT members.

Although there are practical reasons to replace incumbent executives of acquired firms, research has shown that acquirers often face challenges in improving the performance of financially distressed firms (Clark & Ofek, 1994). Executive turnover can disrupt operations and negatively influence the integration process as existing members of the acquired organization may disapprove of or be unwilling to cooperate with the new leadership (Shrivastava, 1986). Thus, executive turnover may constitute an important mechanism through which acquired firm pre-acquisition performance affects post-acquisition performance.

Hypothesis 2: There is a negative relation between acquired firm pre-acquisition performance and post-acquisition performance.

Hypothesis 3: There is a negative relation between acquired firm pre-acquisition performance and acquired firm executive turnover.

Hypothesis 4: The relation between pre-acquisition performance and post-acquisition performance is partially mediated by executive turnover.

The above hypotheses suggest that while the direct effect of pre-acquisition performance on post-acquisitions performance is negative, its indirect effect mediated by executive turnover is positive. Such models are referred to as inconsistent mediation (MacKinnon, Krull, & Lockwood, 2000) or competitive mediation (Zhao, Lynch Jr., & Chen, 2010). Zhao and colleagues note that such models “point to a theoretically interesting indirect effect” and may guide future research in completing the theoretical framework by identifying omitted mediators that are inconsistent with the sign of the direct effect (2010: 201). In the following sections, we also propose competitive mediation for relations among acquisition experience, level of integration, executive turnover, and post-acquisition performance.

Acquisition experience. Acquiring firms that have completed prior acquisitions accumulate experience that may affect post-acquisition performance. By transferring experience from one acquisition event to another, acquirers not only learn how to select suitable acquisition targets but also develop integration capabilities that are crucial for acquisition success (Zollo & Singh, 2004). Despite its theoretical appeal, the evidence for a positive relation between experience and post-acquisition performance is inconclusive (Barkema & Schijven, 2008). Some studies have found that acquirers who use previously successful practices and routines can achieve higher levels of acquisition performance (Bruton, Oviatt, & White, 1994; Hayward, 2002). Other studies show evidence of a negative relation, suggesting that transfer of experiences may be applied inappropriately because acquisitions can significantly differ from one another, rendering the accumulated knowledge inappropriate (Finkelstein & Halebian, 2002). Drawing on meta-analytic results, King et al. (2004) conclude that there is not a significant relation between acquisition experience and post-acquisition performance.

We argue that acquired firm executive turnover is an important mechanism through which acquisition experience influences post-acquisition performance. Inexperienced acquirers are more likely to retain executives as they possess valuable firm- and market-specific knowledge (Davis & Nair, 2003). On the contrary, acquirers with acquisition experience may be confident in their own executives' capabilities to complete the integration process, thereby diminishing the relative standing of acquired firm management in the process. Such confidence in the superior capabilities of their own executives may result in involuntary turnover of acquired top managers whose capabilities are viewed as redundant. Moreover, when acquiring firms have experience with acquisitions, strategic decisions may be imposed on incumbent firm executives signaling that they are unimportant in the integration process, thus resulting in their voluntary

departure (Krug, 2009; Krug & Nigh, 2001). Particularly, CEOs of acquired firms may perceive their human and social capital under-valued in the post-acquisition process when the acquiring firm has a history of prior acquisitions.

Furthermore, firms with acquisition experience may also be more skilled at selecting a suitable acquisition target in the first place. Specifically, such acquirers can ensure that they possess the necessary human capital to run the acquired firm without input from its incumbent TMT members. Therefore, greater overlap among the acquired firm's executive pool human capital with that of the acquirer firm is likely to lead to higher collective turnover in the acquired executive team. However, such turnover may negatively influence the integration process. Consequently, post-acquisition performance may also be affected because "no two deals are the same" (Barkema & Schijven, 2008: 595). Acquired firm executives possess firm-specific knowledge, and they can help avoid mindless replication of inappropriate routines to the focal acquisition (Ellis, Reus, Lamont, & Ranft, 2011). Hence, we posit that the effect of experience on post-acquisition performance may depend on retaining existing top executives.

Hypothesis 5: There is a positive relation between acquirer experience and post-acquisition performance.

Hypothesis 6: There is a positive relation between acquirer experience and acquired firm executive turnover.

Hypothesis 7: The relation between acquisition experience and post-acquisition performance is partially mediated by executive turnover.

Deal Characteristics

Level of Integration. The extent to which the acquired firm is integrated with the "strategy, systems, and procedures" (Hambrick & Cannella, 1993: 742) of the acquirer has

important implications for acquired firm executives in terms of their autonomy. Lower levels of integration allow acquired executives to retain greater autonomy and discretion in decision-making, but higher levels of integration necessitate that the acquired firm conforms to the policies, practices, and procedures of the acquiring firm (Hambrick & Cannella, 1993). Larsson and Finkelstein (1999) found empirical support for the argument that the level of integration is positively related to post-acquisition performance because interaction and coordination between firms are necessary to achieve synergies. Consequently, even if an acquisition's potential for creating synergies is high, lack of sufficient integration will prevent potential synergies from being realized (Pablo, 1994). Conversely, integration may produce negative consequences for firms involved in the acquisition process. Greater integration of the acquired firm is also associated with greater disruption of the routines and practices of the acquired firm (Very et al., 1997). Post-acquisition integration results in enhanced control of acquiring firm executives over the acquired entity; it "reinforces the higher relative standing of the acquiring firm's executives" (Saxton & Dollinger, 2004: 127). Such dynamics have implications for both voluntary and involuntary turnover of acquired firm executives.

Integration may result in the voluntary departure of executives because they lose autonomy and discretion. Specifically, integration is associated with acquired CEOs becoming dependent on the acquirer to make decisions that were once under their discretion, which makes status and power loss salient (Pablo, 1994) and induces perceptions of being dominated (Lubatkin et al., 1999). Similar mechanisms are likely to operate within TMTs. TMT members' loss of autonomy as a result of greater post-acquisition integration can affect their propensity to depart (Hambrick & Cannella, 1993). In parallel, acquiring firms may be motivated to replace acquired firm executives or force them to turnover in order to eliminate the cost of having

redundant resources. Nevertheless, top executives possess skills and knowledge that make them key to the realization of synergies (Schweiger & Very, 2003). Their loss may negatively affect post-acquisition performance because acquiring executives do not have knowledge of the acquired firm and its organizational culture nor do they “have trusting relationships established with their new colleagues and subordinates” (Shrivastava, 1986: 73). Altogether, acquired executives may lack the ability to make informed and effective decisions with respect to the integration process.

Hypothesis 8: There is a positive relation between level of integration and post-acquisition performance.

Hypothesis 9: There is a positive relation between level of integration and acquired firm executive turnover.

Hypothesis 10: The relation between level of integration and post-acquisition performance is partially mediated by executive turnover.

Relative firm size. Findings regarding the effect on acquisition performance of acquired firm relative size to that of the acquirer have been inconsistent (Haleblian, Devers, McNamara, Carpenter, & Davison, 2009). Even though acquiring larger firms offers higher profit potential, it may be a challenge in terms of paying for and integrating the acquired firm, constituting a case of ‘biting off more than you can chew’ (Kusewitt, 1985). Scanlon, Trifts, and Pettway (1989) provided evidence that acquisitions of relatively larger firms result in poor performance. On the other hand, Kitching (1967) found that acquisitions of smaller firms are associated with poor performance, suggesting that the profit potential from acquisitions of small firms relative to the acquirer is too little to make up for the high amount of managerial attention such acquisitions require (Kusewitt, 1985). Finally, some studies found no significant association between the two

variables (Fowler & Schmidt, 1989). A potential explanation for these inconsistent findings may be the failure to account for the association of relative firm size with post-acquisition changes in the management cadre of acquired firms, which subsequently affect performance.

We expect a negative relation between the size of the acquired firm relative to that of the acquirer and executive turnover. A larger acquiring firm is more likely to possess the resources needed to successfully manage the acquired firm's operations (Krug, 2009), including human capital. A larger and more resourceful acquiring firm may view acquired executives as less important to the success of the acquisition and thus as having lower relative standing. Thus, a smaller acquired firm relative to the acquirer is likely to experience a higher level of involuntary executive turnover. In addition, following an acquisition by a larger entity, executives of the acquired firm are likely to experience decreased status, autonomy, and discretion. Such losses increase acquired executives' propensity to feel dominated by the acquirer, and hence, to be more likely to depart voluntarily (Hambrick & Cannella, 1993).

CEO's of relatively smaller acquired firms, in particular, may be less willing to accept a diminished role after serving as the top firm executive as they are used to being a 'big frog in a small pond' (Frank, 1985). For TMT members of relatively smaller acquired firms, the individual influences on departure may be mixed. Some TMT member competencies may be more or less redundant with those of the larger acquiring firm. The likelihood of redundancy should be greater the larger the acquiring relative to the acquired firm. As a result, acquisitions by larger firms may be associated with higher collective turnover among the TMT members.

Thus, we expect an overall positive relation between the relative size of the acquired to acquiring firm and post-acquisition performance, in part because of the lower executive turnover we expect when acquired firms are relatively larger. Acquirers may underestimate the amount of

managerial attention that acquisitions of smaller firms require, and potential synergies may not be realized due to higher executive turnover, which deprives the acquiring firm of valuable firm-specific knowledge (Bergh, 2001). On the contrary, even though the complexity of managing the acquisition and the integration process increases when the acquired firm is relatively larger in size (Shrivastava, 1986), in such circumstances, the acquired firm executives are more likely to retain higher relative standing because they are less likely to be easily substitutable by acquiring firm executives (Walsh, 1989). Thus, we argue that the extent to which acquiring firms realize profits from an acquisition depends on retaining acquired firm executives as their departure “is likely to threaten the intrinsic value of the integrating firms and prevents the realization of synergies and cash flows” (Schweiger & Very, 2003: 15).

Hypothesis 11: There is a positive relation between the size of the acquired firm relative to the acquiring firm and post-acquisition performance.

Hypothesis 12: There is a negative relation between the size of the acquired firm relative to the acquiring firm and acquired firm executive turnover.

Hypothesis 13: The relation between relative firm size and post-acquisition performance is partially mediated by executive turnover.

METHODS

Literature Search

The search process for relevant studies consisted of the following steps. First, we used relevant search terms such as *turnover, departure, retention, CEO, senior manager, executive, top management, TMT, M&A, merger, acquisition, takeover* to identify studies concerning CEO and TMT turnover in acquired firms. Without a start date, we searched databases, including Business Source Premier, ABI/Inform, Web of Science, and JSTOR to identify articles on the

topic. Second, we conducted a citation search of identified studies and reviewed articles for references to other similar studies examining antecedents of executive turnover following acquisitions (e.g., Krug et al., 2014). The goal of the initial search was to identify studies that examined relations between the four described antecedents of acquired firm executive turnover. Nevertheless, we collected all studies that examined executive turnover relations to identify other commonly examined antecedents that can later be included as control variables in the SEM analysis. After completing the initial process and identifying the most frequently examined antecedents of acquired firm executive turnover, the third step consisted of collecting studies relevant to the identified antecedents and post-acquisition performance. Following the process identified above, we used relevant search terms such as *merger*, *acquisition*, *performance*, *integration*, *relative size*, and *experience*. As a fourth step, we sought to address the ‘file drawer problem’. We performed searches with Google Scholar and posted calls on the Academy of Management and Academy of International Business list serves to identify unpublished work-in-progress and dissertation studies. We also contacted authors of studies that examined executive turnover but no usable statistics were reported for purposes of our analysis.

Inclusion Criteria

After completion of our broad initial search, we accumulated over 4,000 potential studies. The search results were entered into a reference management program (Zotero 4.0) to identify and eliminate duplicate entries. The criteria for inclusion of acquisition-related empirical studies in our meta-analysis had a number of rules. First, studies had to examine a relation of antecedents with either executive turnover or post-acquisition performance. Second, studies of TMT turnover needed to examine a relation of unit- or organizational-level collective executive turnover with at least one of the identified antecedents or post-acquisition performance. Third,

similarly, primary studies of CEO turnover had to assess a relation of individual-level turnover with at least one of the identified antecedents or post-acquisition performance. We excluded studies that were not empirical; that only provided cumulative percentages of executive turnover; and that did not include a correlation matrix, report bivariate relation between variables of interest, or offer data that could be used to calculate an effect size estimate (e.g., those providing univariate percentages, or proportions of means without standard deviations).

After inclusion and exclusion criteria restrictions, the final set of studies included in the analysis consisted of 114 manuscripts examining relations among antecedents, executive turnover, and post-acquisition performance. A total of 101 published studies (1987–2015) included 99 journal articles and three book chapters, whereas 11 unpublished manuscripts consisted of two conference papers, six working papers, and three doctoral dissertations. A full list of studies from which correlations were extracted and the number of studies per publication outlet is available in the online supplemental material.

Coding Procedures

We followed Lipsey and Wilson's (2001) procedures in developing our database. Two of the authors jointly coded all effect sizes from each of the identified studies. First, we prepared a coding protocol, which identified the information to be extracted from each study. A majority of the identified studies utilized regression analyses providing correlation coefficients (r), which we collected along with sample sizes among all the variables. For studies for which we obtained an F -statistic or a t -statistic along with group sample sizes, we computed Cohen's d effect sizes. Consequently, all d effect sizes were converted into r . Finally, where neither an r nor F or t -statistics were available, we used means and standard deviations to compute an r .

We extracted only one effect size per relation from each primary study to maintain independence (Geyskens, Steenkamp, & Kumar, 2006). For instance, if turnover was measured at multiple years following an acquisition, we retained only one effect size. For consistency, we retained only effect sizes based on turnover measured within the first three years after the acquisition because the majority of effect sizes fell within this period. When primary studies used multiple variables to measure a construct (e.g., foreign and domestic acquisition experience), we followed Hunter & Schmidt's (2004) recommendation to compute a composite correlation instead of taking a simple average. In addition, we were able to examine different measurement approaches as potential moderators of relations of interest. We encountered six instances in which two or more studies used overlapping samples. To maintain independence, we obtained effect sizes only from the study with the larger sample (Bergh et al., 2014).

Executive Turnover. We focus on two separate types of executive turnover: individual-level CEO turnover and organizational-level TMT turnover rate. We operationalized the construct as: (a) whether the CEO had left the acquired firm after the acquisition; and (b) the proportion of TMT members from the original TMT of the acquired firm who had left post-acquisition. The TMT typically includes the CEO and all officers at or above the level of Vice President who report directly to the CEO (e.g., COO, CFO, CEO, Senior VP, President, Chairman, Vice-Chairman) (Bergh, 2001; Hambrick & Cannella, 1993). The formula for TMT turnover is equivalent to the *instability rate* (Hausknecht & Trevor, 2011), where the numerator is the number of acquired firm TMT members at the time of the acquisition who leave during the period, and the denominator is the total number of TMT members employed with the organization at the time of the acquisition. For studies that used CEO or TMT retention rather

than turnover, we reversed the sign of the correlation coefficient. An overview of constructs, definitions, and examples of measures are available in the online supplement.

Meta-Analytic Procedures

A total of 67 effect sizes were computed for the antecedents–executive turnover relations (i.e., 44 for TMT and 23 for CEO), and 13 for the executive turnover–post-acquisition performance relations. In addition, 319 effect sizes for the relations among antecedents and post-acquisition performance were extracted from a final sample of 60,344 acquisitions. We followed Hunter and Schmidt’s (2004) guidelines for meta-analysis. We include a sample size-weighted mean (r), which provides greater weight to effect sizes obtained from larger samples. We also report the number of studies (k) and the cumulative sample size (N), along with the correlations after correcting for unreliability (ρ). Although a majority of the variables of interest were observed, these corrections were estimated using a more conservative .80 value on all effect sizes for which reliability was not reported (Dalton, Daily, Ellstrand, & Johnson, 1998). We report 95% confidence intervals around the mean effect size to detect significance (Whitener, 1990).

Moderator variable analyses. One benefit of meta-analysis is the ability to identify and test potential moderating effects of characteristics of original studies (Hunter & Schmidt, 1990). This approach allows us to determine whether differences in effect sizes exist across studies by establishing subgroups and conducting separate meta-analyses for each subgroup. When the variability in effect sizes for a particular relation is greater than what is expected due to sampling error, a moderation analysis can provide additional insights as to why correlation coefficients vary across samples (Lipsey & Wilson, 2001). We searched for potential moderating effects for relations in which sampling error accounted for less than 75% of the observed variance in effect sizes (Hunter and Schmidt, 1990). We also examined the I^2 statistic, an index associated with the

degree of heterogeneity (i.e., $I^2 > 75\%$ indicates high heterogeneity) (Higgins, Thompson, Deeks, & Altman, 2003). In addition, we inspected 80% credibility intervals, which, unlike confidence intervals, do not assume a single population estimate, and an interval that is either sufficiently large or includes zero may indicate the presence of multiple subgroups (Whitener, 1990).

First, we checked whether variance in effect sizes existed across samples that include acquisitions occurring in different time periods (e.g., the '80s vs. '90s). We expected executives of acquired firms in the '80s to be more likely to turnover, which in turn negatively affects post-acquisition performance. Acquisitions during the takeover wave of the '80s “were a move of consolidation and specialization” (Shleifer & Vishny, 1991: 54) and were more likely to be hostile and to involve subsequent sales of a large proportion of the acquired firm’s assets. We also examined differences in effect sizes across studies that used primary versus secondary turnover data. We expected the estimated effect to be stronger for studies that rely on primary sources of turnover data. Secondary data is commonly utilized in measuring turnover; annual reports and/or reference books are more likely to lack precise records or have missing data, which can result in smaller cumulative turnover rates.

We examined whether differences in effect sizes exist based on how performance was measured (e.g., accounting vs. market measures, perceptual vs. non-perceptual measures). The acquisition performance construct is “multifaceted, comprised of numerous dimensions that are relatively unrelated” (Cording, Christmann, & Weigelt, 2010: 13) and is often operationalized using several different measures. For instance, some studies relied on stock market-based measures of performance (e.g., CAR; Tobin’s q); others utilized accounting- (e.g., ROA, ROE) or survey-based measures. To avoid reporting biases when using subjective measures, researchers have suggested that combining subjective measures (i.e., based on perceptions of

executives and/or industry experts in M&A transactions) with objective measures of post-acquisition performance can enhance understanding (Das & Kapil, 2012), and that these two types of measures are positively correlated (Zollo & Meier, 2008). We also examined whether differences in effect sizes exist with respect to the time horizon used when measuring post-acquisition performance (i.e., whether performance was measured within two years or more than two years following the acquisition announcement). Prior research suggests that the lack of consensus on when to measure acquisition performance results in inconsistent findings regarding the effects of acquisition experience on post-acquisition performance (Cording et al., 2010).

Because acquisitions constitute the combination of two firms, we also considered whether reported post-acquisition performance was that of the acquiring, acquired or combined firm. Researchers justify the use of the acquiring firm's consolidated performance post-acquisition because it is nevertheless likely to reflect the performance of the acquired firm (Bergh, 2001). On the other hand, data on post-acquisition performance of the acquired firm are often impossible to obtain since it is common that the firm is fully integrated into the acquiring firm, ceasing to exist as a standalone entity (Zollo & Singh, 2004). Finally, because strategic management scholars have also utilized various measures of firm size, we examined differences in effect sizes based on measures of relative firm size (i.e., assets-, sales-, employees- or market value-based measures). Tosi, Werner, Katz and Gomez-Mejia (2000) performed factor analysis on 16 different firm size variables to reveal the underlying structure of the construct. Their findings confirm that market value, assets, stock equity, sales, and number of employees all measure the same construct (i.e., absolute firm size) and exhibit high internal consistency.

Addressing publication bias and outliers. We plotted studies based on the effect size and sample size. Visual examination of the plot and the Egger test allowed us to detect any

significant asymmetry (Egger, Smith, Schneider, & Minder, 1997). We also calculated the sample-adjusted meta-analytic deviancy (SAMD) statistic for each correlation (Huffcutt & Arthur, 1995), used to identify outliers based on sample size. We selected a cutoff value, such that studies with SAMD statistic greater than 3 constituted potential outliers. Consequently, we performed all meta-analytic and MASEM analyses with and without the studies identified as outliers. The results are substantively unchanged if we exclude the outlier studies. Accordingly, we proceed with the analyses using the full sample.

Meta-Analytic Structural Equation Modeling

The results of the meta-analysis were arranged into a correlation matrix and used for the SEM analyses. We performed separate analyses for each turnover type because our sample did not include studies that examined CEO and TMT turnover simultaneously. To control for the potential confounding effect of industry relatedness (extent of process and product similarity between acquired and acquiring firms) on executive turnover and post-acquisition performance, we included this variable in our analysis ($k = 12$). Specifically, the relatedness of acquiring and acquired firms has been shown to positively affect performance (Rumelt, 1974), since acquiring firm management possesses the required knowledge and skills to operate successfully in the acquired firm's industry. In related acquisitions, the knowledge and skills possessed by executives in the two firms are likely to be complementary. Hence, acquired firm executive departure in such acquisitions is assumed to be less harmful, as these executives can be easily replaced (Cannella & Hambrick, 1993). On the contrary, in unrelated acquisitions, the acquirer needs to learn how to operate in a new line of business; as a result, executives are more likely to be retained post-acquisition because of their valuable tacit knowledge and familiarity with the business and its environment (Walsh, 1988). We were unable to include other control variables

in the SEM model due to the lack of a sufficient number of effect sizes for the relations between a specific antecedent and all other variables in the correlation matrix (i.e., a minimum of $k = 2$) which would result in missing cells in the correlation matrix (Viswesvaran & Ones, 1995).

We addressed the issue of using different sample sizes to compute each meta-analytically derived correlation by calculating a harmonic mean ($N = 1,862$ for the model including TMT turnover and $N = 1,840$ for CEO turnover). The harmonic mean is a more conservative estimate than the arithmetic mean and balances the influence given to large values relative to smaller values (Landis, 2013; Viswesvaran & Ones, 1995). We used the maximum likelihood estimation approach and conducted the analyses in R using the lavaan package (Rosseel, 2012).

RESULTS

Meta-Analytic Results

Post-acquisition performance. As reported in Table 1, results of the meta-analysis show significant effects of both TMT and CEO turnover on post-acquisition performance (i.e., 95% confidence interval does not include zero). However, the direction of the relation differs for each type of executive turnover. Specifically, consistent with Hypothesis 1, our results suggest a negative association between TMT turnover and post-acquisition performance ($\rho = -.17$, $k = 11$, $CI_{95} = [-.24, -.04]$). On the contrary, we find a positive association between CEO turnover and post-acquisition performance ($\rho = .13$, $k = 2$, $CI_{95} = [.05, .16]$). Results show significant effects of two of the four antecedents on post-acquisition performance. In support of Hypothesis 8, we found that higher level of integration is associated with higher post-acquisition performance ($\rho = .12$, $k = 13$, $CI_{95} = [.00, .19]$). In support of Hypothesis 11, we found that the larger the acquired firm in relation to the acquirer, the higher the post-acquisition performance ($\rho = .07$, $k = 35$, $CI_{95} = [.01, .11]$). The average correlations of pre-acquisition performance and acquisition experience

with post-acquisition performance are small and non-significant (ranging between $\rho = -.01$ and $\rho = .01$), providing no support for Hypotheses 2 and 5.

Insert Table 1 about here

Executive turnover. Table 2 reports our meta-analytic estimates for the relations of antecedents with TMT turnover and CEO turnover, respectively. Two antecedents are significantly related to both TMT and CEO turnover. Pre-acquisition performance is negatively related to TMT turnover ($\rho = -.24$, $k = 9$, $CI_{95} = [-.30, -.10]$) and to CEO turnover ($\rho = -.09$, $k = 9$, $CI_{95} = [-.13, -.02]$), providing support for Hypothesis 3; and level of integration is positively related to TMT turnover ($\rho = .33$, $k = 6$, $CI_{95} = [.09, .48]$) and CEO turnover ($\rho = .32$, $k = 2$, $CI_{95} = [.14, .38]$), in support of Hypothesis 9. We found no support for Hypotheses 6 and 12 regarding the effects of acquisition experience and relative firm size on turnover.

Insert Table 2 about here

Moderator Variable Analyses

Because heterogeneity was present for the majority of the estimated effect sizes, we conducted moderation analyses for the seven *a priori* specified moderator variables. We used Hunter and Schmidt's chi-square test of heterogeneity (Q_b) statistic to test whether significant differences exist based on levels of a moderator. Only the significant moderation effects are reported in Tables 1 and 2. Below we discuss some of the most noteworthy findings.

Sample period. Effect sizes for the relations between TMT turnover and post-acquisition performance ($\rho = -.22$, $k = 5$, $CI_{95} = [-.32, -.04]$) and between pre- and post-acquisition performance ($\rho = .25$, $k = 4$, $CI_{95} = [-.02, .42]$) are stronger for acquisitions that occurred in the

mid-'80s to mid-'90s period, than for those that occurred in the mid-'90s to late '00s ($\rho = -.06$, $k = 5$, $CI_{95} = [-.17, .07]$ and $\rho = .05$, $k = 4$, $CI_{95} = [-.20, .29]$). Similarly, the relation between pre-acquisition performance and TMT turnover is stronger when acquisitions were announced in the period between the mid-'70s and mid-'90s ($\rho = -.30$, $k = 3$, $CI_{95} = [-.36, -.12]$) than between the mid-'90s and late '00s ($\rho = -.07$, $k = 4$, $CI_{95} = [-.10, -.01]$).

Turnover data source. For the relation of pre-acquisition performance and TMT turnover, we found stronger effect sizes when primary turnover data were used ($\rho = -.36$, $k = 5$, $CI_{95} [-.40, -.20]$) than when secondary data were examined ($\rho = -.08$, $k = 3$, $CI_{95} [-.13, .01]$).

Time of measurement. The relation between acquisition experience and post-acquisition performance is positive when performance was measured more than 2 years after acquisition announcement ($\rho = .10$, $k = 7$, $CI_{95} = [.01, .15]$) and negative when measured less than 2 years after announcement ($\rho = -.04$, $k = 24$, $CI_{95} = [-.05, -.00]$).

Perceptual vs. non-perceptual measures. The relation between pre- and post-acquisition performance is more positive when perceptual measures of pre- ($\rho = .12$, $k = 4$, $CI_{95} = [-.07, .27]$) and post-acquisition performance ($\rho = .28$, $k = 4$, $CI_{95} = [.17, .32]$) were used than when non-perceptual measures were used; for pre-acquisition ($\rho = .00$, $k = 8$, $CI_{95} = [-.09, .09]$) and post-acquisition ($\rho = -.02$, $k = 8$, $CI_{95} = [-.10, .07]$). The effect size for the pre-acquisition performance-TMT turnover relation is also stronger with perceptual measures of performance ($\rho = -.37$, $k = 4$, $CI_{95} = [-.42, -.18]$) than otherwise ($\rho = -.10$, $k = 5$, $CI_{95} = [-.15, -.01]$).

Post-acquisition performance entity. The relation between TMT turnover and post-acquisition performance is strongest when post-acquisition performance was measured as that of the acquired firm ($\rho = -.37$, $k = 2$, $CI_{95} = [-.39, -.20]$), moderately strong when it was measured as that of the combined firm ($\rho = -.26$, $k = 4$, $CI_{95} = [-.40, -.01]$), and weakest when it was

measured as the performance of the acquiring firm ($\rho = -.09, k = 5, CI_{95} = [-.19, .04]$). Another interesting finding is that the relation between pre- and post-acquisition performance is positive when post-acquisition performance was measured as the performance of the acquired firm ($\rho = .38, k = 2, CI_{95} = [.23, .38]$) or the combined firm ($\rho = .10, k = 6, CI_{95} = [-.02, .17]$), but negative when measured as the performance of the acquiring firm ($\rho = -.12, k = 4, CI_{95} = [-.15, -.04]$).

Performance measure type. Results indicate that the relation between pre-acquisition performance and CEO turnover is stronger when market-based measures of performance were used ($\rho = -.18, k = 5, CI_{95} = [-.25, -.04]$) than when accounting-based measures were used ($\rho = -.07, k = 4, CI_{95} = [-.10, -.01]$).

Relative firm size measure type. Finally, our results indicate that the relation between relative firm size and post-acquisition performance is strong and positive when firms' market value was used to measure relative size ($\rho = .25, k = 7, CI_{95} = [.09, .31]$), still positive but non-significant when sales or revenues were used ($\rho = .01, k = 11, CI_{95} = [-.03, .05]$), and negative, when either assets ($\rho = -.06, k = 11, CI_{95} = [-.07, -.02]$) or number of employees were used ($\rho = -.09, k = 4, CI_{95} = [-.14, -.01]$).

Meta-Analytic Structural Equation Modeling

Table 3 presents the average correlations among all variables included in our model computed by performing separate meta-analyses for each relation. This correlation matrix was used as input for the MASEM analyses. The results of the two MASEM analyses (i.e., for TMT and CEO turnover) are presented in detail in Table 4. To determine whether turnover was measured before, at, or after the time post-acquisition performance was measured, we examined the studies from which we extracted effect sizes for the TMT and CEO turnover - post-acquisition performance relations. Four of the studies explicitly report assessing executive

turnover before post-acquisition performance. Four studies assessed turnover rates and post-acquisition performance over the same period. Lastly, we are unable to determine at what time TMT turnover was measured relative to post-acquisition performance in the remaining studies ($k = 5$) since information on either the time of measurement of turnover, post-acquisition performance, or both were not explicitly specified.

The proposed mediation model was compared to a full mediation model and a correlated predictor model. The proposed mediation model includes direct and indirect (i.e., through executive turnover) links between all four antecedents and post-acquisition performance. In the full mediation model, all antecedents are related to post-acquisition performance only through executive turnover. The correlated predictor model is a no-mediation model; all antecedents and executive turnover are directly and simultaneously related to post-acquisition performance. We control for industry relatedness as a predictor of post-acquisition performance in all models. The models can be found in the online supplemental material. After evaluation of the results and removal of insignificant paths, we arrived at an alternative mediation model, which includes some direct and indirect links between antecedents and post-acquisition performance.

 Insert Tables 3 and 4 about here

The models were compared based on four established model fit statistics—chi-square (χ^2), root-mean-square error of approximation (RMSEA), normed fit index (NFI), comparative fit index (CFI), and standardized root-mean-square residual (SRMR). Acceptable model fit is associated with non-significant chi-square, values of NFI and CFI greater than .90, RMSEA less than or equal to .08, and an SRMR less than .10 (Kline, 2005). The results revealed a good level of fit for both TMT ($\chi^2_4 = .48$, *ns*, CFI = 1.00, NFI = .99, RMSEA = .00, SRMR = .00) and CEO

($\chi^2_4 = 1.90$, *ns*, CFI = 1.00, NFI = .99, RMSEA = .00, SRMR = .01) alternative mediation models. Figure 1 depicts the alternative mediation model and coefficients for each relation.

 Insert Figure 1 about here

Because our moderator analysis indicated that differences in effect sizes exist across moderator subgroups, we performed separate MASEM analyses for different subgroups based on how post-acquisition performance was measured (i.e., post-acquisition performance entity and perceptual versus non-perceptual measures of performance). For our TMT sample, we examined three different measurement scenarios for post-acquisition performance: performance of the (1) acquiring firm, (2) combined post-acquisition firm, and (3) combined post-acquisition firm or the acquired firm. We were unable to perform the analyses on a subgroup of studies that considered the post-acquisition performance of only the acquired firm because an insufficient number of studies were available for all bivariate relations in the correlation matrix. Similarly, for the CEO sample we were only able to examine one additional scenario, a subgroup of studies where the post-acquisition performance measure is the performance of the acquiring firm or the combined post-acquisition firm. The results were not substantively different except for the following.

In the TMT sample, the relation between pre- and post-acquisition performance is significant and negative when post-acquisition performance is measured as the performance of the acquiring firm, but significant and positive when performance is measured as either that of the combined post-acquisition firm or as that of the combined firm or the acquired firm. The effect of relative size on post-acquisition performance is not significant when performance was measured as that of the combined post-acquisition firm and as the performance of the combined or acquired firm. The effect of acquisition experience is negative and marginally significant

when the measure of performance is that of the acquiring firm and positive but not significant when it includes the combined post-acquisition firm or the combined and acquired firm. These results are similar to Cording et al.'s (2010) who found that the effect of experience differs based on the measure of acquisition performance. In the CEO sample, the relation between pre- and post-acquisition performance is not significant when measuring post-acquisition performance as the performance of the combined or the acquiring firm.

We also conducted the MASEM with a subsample of studies in which post-acquisition performance was measured using only perceptual measures. Results remained unchanged except for the following observations: the effect of relative size on post-acquisition performance is not significant, and there is a significant positive relation between pre- and post-acquisition performance. These results are available in the online supplemental material.

Mediation analysis. In the TMT partial mediation model, the direct effect of pre-acquisition performance on post-acquisition performance is not significant ($\beta = -.01, ns$) and 100% of its total effect on post-acquisition performance is due to its indirect effect (.05, $p < .001$). These results support a fully mediated relation between pre- and post-acquisition performance through TMT turnover, providing partial support for Hypothesis 4. TMT turnover partially mediates the relation between acquisition experience and post-acquisition performance, providing partial support for Hypothesis 7. The direct effect of experience on performance is negative and marginally significant ($\beta = -.04, p < .10$). Thus, contrary to expectations, acquisitions by firms with greater acquisition experience are likely to perform poorly post-acquisition. Experience is also negatively associated with TMT turnover ($\beta = -.07, p < .01$). The indirect effect of acquisition experience on post-acquisition performance through TMT turnover

is positive and significant (.02, $p < .01$). Acquisitions by firms with less experience may perform poorly because such acquisitions are likely to result in higher rates of executive turnover.

In support of Hypotheses 10, we found that both CEO and TMT turnover partially mediate the relation between level of integration and post-acquisition performance. For TMT turnover, level of integration is positively associated with post-acquisition performance ($\beta = .21$, $p < .001$) and TMT turnover ($\beta = .30$, $p < .001$); its indirect effect through TMT turnover is negative ($-.07$, $p < .001$). This result suggests that greater integration results in higher TMT turnover and, in turn, inferior post-acquisition performance. For CEO turnover, level of integration is positively associated with post-acquisition performance ($\beta = .10$, $p < .001$) and CEO turnover ($\beta = .37$, $p < .001$). Furthermore, the indirect effect of level of integration through CEO performance is positive (.04, $p < .001$). A higher level of integration is associated with higher CEO turnover, and such turnover has a positive influence on post-acquisition performance. Consequently, CEO turnover helps firms transform the advantages of integration into superior post-acquisition performance levels.

As a robustness check, we used the Monte Carlo Method for Assessing Mediation (MCMAM) to assess the statistical significance of our indirect effects by examining the generated confidence intervals (MacKinnon, Lockwood, & Williams, 2004). We used Selig and Preacher's (2008) interactive tool, and the simulation results with 20,000 repetitions confirm that the 95% confidence intervals for all indirect effects reported herein do not include zero.

DISCUSSION

The objective of this meta-analysis was to examine the links among four antecedents, executive turnover, and post-acquisition performance in a mediation model. With this study, we make several contributions to the literature. First, by using meta-analytic techniques we

synthesized existing empirical findings and determined the best estimate of the true population relations among antecedents, executive turnover, and post-acquisition performance. Also, we compared the influence of each antecedent on turnover and post-acquisition performance. In this way, our study builds on and extends previous research in this area. Second, by using MASEM we were able to test models of the effects of antecedents of CEO and TMT turnover and how in turn, each type of turnover influences post-acquisition performance. Specifically, we examined a novel research question regarding the role of executive turnover as a mechanism through which antecedents affect post-acquisition performance. Our study provides additional support for the theory of relative standing in the context of acquisitions. Our results confirm that important antecedents of post-acquisition performance may represent conditions that induce perceptions of low relative standing in acquired firm executives. Low relative standing can explain high levels of executive turnover, which in turn influences post-acquisition performance.

Third, we integrated findings across two separate streams of research. Specifically, we examined two parallel models of turnover of acquired firm executives, one concerning turnover of CEOs of acquired firms, and another focused on cumulative turnover rates of TMTs. Our results provide evidence that research findings in the finance and management fields are interrelated, and greater integration can provide valuable new insights into the relevant role of different types of executive turnover in the context of acquisitions. Lastly, our moderator analyses provided additional insights into the nature of the examined relations. Specifically, our results revealed that several sample and measurement characteristics of primary studies explain variability in effect sizes across moderator subgroups.

Executive Turnover and Post-Acquisition Performance

By showing a significant association between executive turnover and firm performance, our meta-analysis supports the argument that leaders do matter (Rowe, Cannella, Rankin, & Gorman, 2005). Specifically, we found a negative association between TMT turnover and post-acquisition performance, which aligns with recent meta-analysis examining this relation (Butler, Perryman, & Ranft, 2012). An acquisition in and of itself constitutes a disruptive event that is likely to shake the acquired organization and lead to feelings of great uncertainty for both internal organizational members as well as other stakeholders such as customers and suppliers (Jemison & Sitkin, 1986; Napier, 1989). Given this, turnover of a large portion of the TMT may add to the turmoil and uncertainty characterizing the acquired firm post-acquisition (Cannella & Hambrick, 1993). TMTs have a ‘boundary-spanning’ role, for they possess valuable social capital within (internal networks) and outside the organization (external networks) (Collins & Clark, 2003). Furthermore, the loss of valuable knowledge and understanding of the firm can impede its successful re-organization and the integration process (Krug et al., 2014). Indeed, a delicate balance may exist between change toward adaptation ‘for the better’ and change toward disruption ‘for the worse’. This balance may lie in the proportion of TMT lost post-acquisition. Substantial changes to the TMT can undermine post-acquisition performance by putting the organization into “a state of anxious paralysis” (Cannella & Hambrick, 1993: 141).

An intriguing result of this study is that, in contrast to the influence of TMT turnover, CEO turnover has a positive effect on post-acquisition performance. Because executive turnover may be a result of poor firm performance, replacement of the top executive can symbolize much-needed change, disrupting established practices and norms and positively influencing subsequent performance (Grusky, 1963). Executive turnover serves to break organizational inertia and give

way to new ideas regarding the firm's strategic direction (Virany et al., 1992). Furthermore, the CEO is the central member of the TMT (Daily & Johnson, 1997) that is ultimately accountable and responsible for poor performance (Dalton & Kesner, 1985); thus, he/she is also most likely to be replaced under such circumstances. CEO departures may signal a dedication to replace inadequate organizational leaders and implement strategic change.

Our moderator analysis suggests that TMT turnover has a stronger negative effect on post-acquisition performance in acquisitions announced in the period between the mid-'80s to mid-'90s. Acquisitions in the '80s have been characterized as hostile takeovers that were usually "done against the will of the target firm's management" (Shleifer & Vishny, 1991: 53). As a result, executives of the acquired firm were more likely to turnover, which in turn negatively influenced post-acquisition performance. Our evidence also emphasizes the need to consider which entity's post-acquisition performance is being measured. Although the effect of TMT turnover on post-acquisition performance is always negative, we found that turnover affects the acquiring firm's post-acquisition performance less so than it harms the performance of the acquired firm or the combined firm's performance. Future research should examine whether this strong negative influence of TMT turnover on post-acquisition performance can be explained by the behavioral and emotional reactions of acquired firm employees to the loss of their firms' management team and the changes associated with their replacement. Overall, our results support RBV because, on average, the effect of acquired firm TMT turnover on post-acquisition performance is negative; its magnitude does vary based on the entity under scrutiny.

Antecedents and Post-Acquisition Performance

Although our bivariate results do not suggest a significant relation of pre-acquisition performance and acquisition experience with post-acquisition performance, we found several

moderators of these relations. For instance, we found that with perceptual measures of post-acquisition performance, the relation is positive and strong; however, the average effect size was approximately zero with non-perceptual measures. A possible explanation may be that acquiring firm managers make retrospective errors in an attempt to deny past decisions (Golden, 1992); they tend to attribute poor post-acquisition performance to pre-acquisition performance issues of the acquired firm rather than to their strategic decisions. Similarly, we found that the effect of acquisition experience has a positive influence on performance when performance is measured at least two years after acquisition. The relation is weaker and negative, however, when measured within the first two years. Integrating the acquired firm is a long and arduous process (Goh, 2001), and detecting the effects of experience on performance may require a longer period of time. Our findings inform future research to consider the timing of measuring post-acquisition performance so that the true effect of acquisition experience can be captured.

We found that deal characteristics have a positive and significant association with post-acquisition performance. First, as expected, the more integrated the acquired firm is with the acquirer post-acquisition, the higher the performance. This finding supports prior research that suggests integration of the two firms is necessary to achieve synergies (Larsson & Finkelstein, 1999; Pablo, 1994). Second, our findings on the effect of relative firm size support the argument that on average, acquisitions of small firms are associated with lower performance (Kitching, 1967). We also found that several factors moderate this relation. For instance, the effect size is negligible when sales or revenues are used to calculate firm size, but strong and positive when using market value as the measure. We also found a negative average effect size when relative size was measured using firm's assets or number of employees. Overall, our findings suggest that the concept of size may be "too global" (Kimberly, 1976: 586). Empirical evidence shows that

the examined measures of firm size all measure the same underlying construct; future research may need to revisit the conceptual and operational definitions of this construct and why different measures have a different influence on post-acquisition performance.

Antecedents of Executive Turnover Following Acquisitions

The cumulative evidence suggests that the level of integration is the primary antecedent of both CEO and TMT turnover. This finding supports the idea of autonomy in decision making as a key indicator of executives' relative standing (Lubatkin et al., 1999). Higher levels of integration are associated with greater need for acquired firm's executives to comply with requirements set by the acquiring firm and demand approval for decisions they used to have the discretion to make pre-acquisition (Pablo, 1994). As a result, executives of the acquired firm are more likely to depart when they feel dominated by the acquiring firm's executives who limit their latitude of actions. Given the inability to make causal inferences based on meta-analytic findings, future qualitative assessments of the level of integration-executive turnover relation will be particularly useful in extending our knowledge of how integration decisions influence acquired executives' perceptions and behavior post-acquisition. Furthermore, given the ramifications of this antecedent for executive turnover, future research should examine which particular integration designs exert the strongest influence on executives' relative standing and what range of optimal integration level ensures acquisition success.

We found that the second most important antecedent that influences both CEO and TMT turnover is pre-acquisition performance. Consistent with the theory of relative standing, our findings show that executives of poorly performing firms are more likely to be dismissed or to leave post-acquisition, perhaps because they are likely to experience lower status and confined discretion. Firm performance is perceived to reflect an executive's capabilities, and even if he or

she is not immediately replaced post-acquisition, “the executive who stays will experience low status and various forms of disdain, which will lead eventually to voluntary or involuntary departure” (Hambrick & Cannella, 1993: 738). We also found that when executive turnover was measured using primary data, the estimated effect is stronger than when secondary data were used. This finding may indicate that secondary data such as annual reports and/or reference books are more likely to lack precise records or have missing data, which can result in smaller cumulative turnover rates. Future research should aim at reducing measurement error by using multiple sources such as official company disclosures, news articles, and company records, to verify the accuracy of turnover data. Similarly, we found that effect size estimates are stronger when perceptual performance measures were used rather than measures based on objective data. This is likely due to respondents’ retrospective accounts, which have been shown to reflect error or bias in recall of past events (Golden, 1992). Future research should rely on multiple methods of collecting pre-acquisition performance data or surveying multiple respondents. Another interesting finding suggests that the association between pre-acquisition performance and TMT turnover is much stronger for acquisitions occurring in the period between the mid-'70s to mid-'90s. An explanation may center on the higher probability of hostile takeovers in this period; hostility of acquisitions also points to the importance of relative standing.

Our bivariate results provide no evidence for the relations of relative firm size and only a negative marginal effect of acquisition experience with executive turnover. Nevertheless, the MASEM results show that acquisition experience significantly influences executive turnover when considered within a broader nomological network.

The Mediating Role of Executive Turnover

We also sought to examine the role of executive turnover as a key mechanism through which antecedents influence post-acquisition performance. Our results offer insights into the interrelations among antecedents, executive turnover, and post-acquisition performance. Specifically, we found that three of the four antecedents influence post-acquisition performance through their effect on executive turnover. First, post-acquisition performance is affected by the performance of the acquired firm pre-acquisition because such firms tend to experience high levels of TMT turnover. Turnover of acquired firm executives may further disrupt internal and external organizational relations, (Cannella & Hambrick, 1993) introducing greater challenges to the acquirer in improving the acquired firm's performance (Clark & Ofek, 1994).

Second, we found that acquirer's acquisition experience has a direct negative effect and an indirect positive effect on post-acquisition performance through TMT turnover. One plausible explanation for these findings is that acquiring firms with acquisition experience may have developed capabilities that allow them to assess the complementarity between the skill set of the TMTs of the acquired firm and their management team (Krishnan et al., 1997; Krug & Aguilera, 2005). These capabilities may channel acquiring firms away from firms with top managers that possess non-complementary skills. Also, acquiring firms with acquisition experience are better positioned to recognize the value of retaining acquired firm executives to the integration process and the successful completion of the acquisition. Overall, a mindset that appreciates the value of retaining incumbent executives of acquired firms and a capacity to target firms with complementary managerial assets may help explain the indirect positive effect of acquisition experience on post-acquisition performance through TMT turnover.

Lastly, we found that executive turnover partially mediates the influence of level of integration and acquisition experience on post-acquisition performance. For instance, greater integration positively influences post-acquisition performance because it allows for the realization of synergies (Larsson & Finkelstein, 1999; Pablo, 1994). However, integrating the acquired firm with the acquirer is also associated with higher CEO and TMT turnover. Interestingly, in the case of TMT turnover, we found evidence of inconsistent mediation. This type of mediation is present when the direct and indirect effects of an independent variable on a dependent variable are of opposite signs. Such mediation effect may be overlooked if the sum of the direct and indirect paths is zero (i.e., the effects cancel each other out resulting in a zero total effect), leading to the “erroneous conclusion that mediation was not present in this situation” (MacKinnon et al., 2000: 175). Our findings suggest that the direct effect of integration on post-acquisition performance is positive, but its effect through TMT turnover is negative. As a result, the benefits of integration are lost when it results in loss of valuable human capital. This finding highlights that the relation between level of integration and post-acquisition performance is complex and in need of future research. On the contrary, our results suggest that CEO turnover may help firms transform the advantages of integration into superior post-acquisition performance levels. Accordingly, future examinations of the level of integration–post-acquisition performance relation should investigate the mediating roles of CEO and TMT turnover simultaneously by modeling them as two different types of executive turnover.

Overall, the results of our mediation analysis show that not accounting for strategic changes in the management cadre of acquired firms after an acquisition may explain why prior research on determinants of post-acquisition performance has generated inconclusive findings. The examined antecedents have valuable implications for post-acquisition performance, and

executive turnover appears to have a central role in bridging these relations. Thus, future research should not rely on oversimplified models of post-acquisition performance.

Limitations

As with any meta-analysis, the variables included in the analysis are restricted to the ones examined in a sufficient number of primary studies and for which effect sizes could be extracted. Other important antecedents likely affect executives' relative standing and turnover. Likewise, our results on the CEO–post-acquisition performance relation should be interpreted with caution because we could only extract two effect sizes for this relation. Similarly, due to missing effect sizes for the relation between CEO and TMT turnover, we were unable to simultaneously examine a comprehensive antecedents-turnover-performance model. Such analysis may provide new insights regarding the relative influence of CEO versus TMT rate of turnover on post-acquisition performance. Due to issues of data availability, a majority of primary studies focus on large acquisitions by established public firms. As a result, the generalizability of the reported meta-analytic results is somewhat limited to this population of acquisitions. Future research is needed to determine whether the same processes can be observed in the context of acquisitions by smaller private acquirers. Furthermore, we were unable to determine whether the type of executive turnover (i.e., voluntary vs. involuntary) can explain variance in effect size estimates. Differentiating between voluntary and involuntary executive turnover is challenging, but such distinctions are likely to provide new insights into the circumstances when executives are more likely to voluntarily leave post-acquisition and when are they more likely to be replaced.

We also cannot make causal inferences regarding the effects of antecedents on turnover and its influence on post-acquisition performance, nor can we confidently conclude that relative standing, the key proposed rationale underlying many of our arguments, is, in fact, the primary

mechanism driving executive post-acquisition turnover. Future research that assesses the relative standing of acquired executives post-acquisition in terms of self-perceptions, perceptions of acquiring firm executives, and objective measures would be valuable.

Lastly, since data sources such as SDC Platinum, Thomson ONE, and Zephyr are often used in primary studies to select samples from the population of acquisitions, the issue of potentially overlapping samples inevitably arises. Unfortunately, researchers' use of unique filters in selecting the sample of acquisitions for their studies makes it virtually impossible to determine whether there is overlap across samples in different publications. Dalton et al. (2003) note that similar issue arises when studies derived samples of firms from lists such as *Fortune 500*, *Standard & Poor's 500*, etc. Nevertheless, Dalton et al. also note it does not necessarily constitute a drawback, and "these studies amount to an extensive series of constructive replications" (2003: 21) as different researchers have examined a particular relation in diverse contexts, at various times, and using different measures (e.g., using primary vs. secondary data).

CONCLUSION

Our meta-analytic review of the literature shows that executive turnover is among the most significant factors affecting post-acquisition performance, and provide some support for the theory of relative standing (Frank, 1985) as an explanation of the high levels of turnover of executives following acquisitions of their firms. Furthermore, we find that executive turnover is a significant mechanism through which firm and deal characteristics affect firms' post-acquisition performance. We are hopeful that our study will stimulate future research, further enriching our understanding of this phenomenon and its implications to acquisition success.

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EXECUTIVE TURNOVER META-ANALYSIS

TABLE 1
Factors Influencing Post-Acquisition Performance: Main and Moderating Effect Results

Relationship	<i>k</i>	<i>N</i>	<i>r</i>	ρ	95% CI	80% CR	I^2	<i>Q</i>	Q_b
Executive Turnover									
H1. TMT turnover	11	1,306	-.14	-.17	[-.24, -.04]	[-.33, .05]	75.22%	40.36 ***	
<i>Sample period</i>									6.07 *
Mid '80s to mid '90s	5	699	-.18	-.22	[-.32, -.04]			16.67 **	
Mid '90s to late '00s	5	552	-.05	-.06	[-.17, .07]			10.53 *	
<i>Entity</i>									7.18 *
Acquirer firm	5	755	-.08	-.09	[-.19, .04]			13.44 **	
Acquired firm	2	140	-.30	-.37	[-.39, -.20]			.81	
Combined firm	4	411	-.21	-.26	[-.40, -.01]			17.90 ***	
H1. CEO turnover	2	789	.10	.13	[.05, .16]	[.10, .10]	23.24%	1.30	
Firm characteristics									
H2. Pre-acquisition performance	12	5,798	.01	.01	[-.07, .09]	[-.19, .22]	89.83%	108.12 ***	
<i>Pre-Performance measure type</i>									4.61 *
Perceptual	4	499	.10	.12	[-.07, .27]			15.68 **	
Non-perceptual	8	5,299	.00	.00	[-.09, .09]			88.10 ***	
<i>Post-Performance measure type</i>									29.12 ***
Perceptual	4	486	.24	.28	[.17, .32]			3.23	
Non-perceptual	8	5,312	-.01	-.02	[-.10, .07]			76.23 ***	
<i>Entity</i>									60.18 ***
Acquirer firm	4	2,623	-.09	-.12	[-.15, -.04]			7.83 *	
Acquired firm	2	214	.31	.38	[.23, .38]			.71	
Combined firm	6	2,961	.08	.10	[-.02, .17]			40.26 ***	
<i>Sample period</i>									5.53 *
Mid '80s to mid '90s	4	573	.20	.25	[-.02, .42]			32.53 ***	
Mid '90s to late '00s	4	365	.04	.05	[-.20, .29]			22.63 ***	
H5. Acquisition experience	38	24,734	-.01	-.01	[-.03, .02]	[-.14, .12]	78.54%	172.43 ***	
<i>Time of measurement</i>									36.59 ***
< 2 years	24	20,128	-.03	-.04	[-.05, -.00]	[-.13, .06]		82.71 ***	
> 2 years	7	3,998	.08	.10	[.01, .15]	[-.04, .24]		37.29 ***	
Deal characteristics									
H8. Level of integration	13	1,529	.10	.12	[.00, .19]	[-.11, .35]	74.41%	46.89 ***	
H11. Relative firm size	35	21,117	.06	.07	[.01, .11]	[-.17, .32]	93.70%	539.33 ***	
<i>Relative firm size measure type</i>									297.07 ***
Assets	11	8,020	-.05	-.06	[-.07, -.02]	[-.11, -.01]		19.21 *	
Employees	4	1,968	-.08	-.09	[-.14, -.01]	[-.17, -.02]		8.38 *	
Market Value	7	9,019	.20	.25	[.09, .31]	[.01, .48]		212.89 ***	
Sales/Revenues	11	1,863	.01	.01	[-.03, .05]	[.01, .01]		8.15	

Note: *k* represents the number of studies. *N* represents the numbers of acquisitions. *r* is the mean sample-size corrected effect size, and ρ is the mean sample-size-weighted corrected effect size due to unreliability attenuation. 95% CI is the 95% confidence interval around the mean sample-size-weighted corrected (ρ) effect size and 80% CR represents the 80% credibility interval. I^2 denotes the percentage of variance across studies due to heterogeneity, with larger value of I^2 indicating more heterogeneity. *Q* is the chi-square test for homogeneity of corrected effect sizes ρ across studies, and Q_b represents the between-group test of homogeneity; a significant value indicates that moderator explains variability of effect sizes.

† $p < .10$

* $p < .05$

** $p < .01$

*** $p < .001$

TABLE 2

Factors Influencing Executive Turnover Following Acquisitions: Main and Moderating Effect Results

Relationship	<i>k</i>	<i>N</i>	<i>r</i>	ρ	95% CI	80% CR	I^2	<i>Q</i>	<i>Q_b</i>
Top Management Team Turnover									
Firm characteristics									
H3. Pre-acquisition performance	9	922	-.20	-.24	[-.30, -.10]	[-.35, -.10]	64.04%	22.25 **	
<i>Turnover data source</i>									9.68 **
Primary	5	539	-.30	-.36	[-.40, -.20]			8.30 †	
Secondary	3	254	-.06	-.08	[-.13, .01]			.85	
<i>Performance measure type</i>									10.89 ***
Perceptual	4	493	-.30	-.37	[-.42, -.18]			8.31 *	
Non-perceptual	5	429	-.09	-.10	[-.15, -.01]			2.92	
<i>Sample period</i>									4.83 *
Mid '70s to mid '90s	3	332	-.24	-.30	[-.36, -.12]			4.26	
Mid '90s to late '00s	4		-.06	-.07	[-.10, -.01]			.85	
H6. Acquisition experience	8	902	-.03	-.04	[-.12, .07]	[-.20, .11]	57.47%	16.46 *	
Deal characteristics									
H9. Level of integration	6	620	.28	.33	[.09, .48]	[.00, .57]	87.98%	41.61 ***	
H12. Relative firm size	9	1,070	-.01	-.01	[-.07, .05]	[-.01, -.01]	7.53%	8.65	
CEO Turnover									
Firm characteristics									
H3. Pre-acquisition performance	9	3,419	-.08	-.09	[-.13, -.02]	[-.15, .00]	61.37%	20.71 **	
<i>Performance measure type</i>									4.65 *
Accounting	4	2,693	-.06	-.07	[-.10, -.01]		48.53%	5.83	
Market	5	726	-.15	-.18	[-.25, -.04]		61.72%	10.45 *	
H6. Acquisition experience	3	709	-.04	-.05	[-.08, .00]	[-.04, -.04]	.00%	.88	
Deal characteristics									
H9. Level of integration	2	583	.26	.32	[.14, .38]	[.17, .35]	80.90%	5.24 *	
H12. Relative firm size	3	703	-.01	-.02	[-.10, .07]	[-.05, .03]	46.03%	3.71	

Note: *k* represents the number of studies. *N* represents the numbers of acquisitions. *r* is the mean sample-size corrected effect size, and ρ is the mean sample-size-weighted corrected effect size due to unreliability attenuation. 95% CI is the 95% confidence interval around the mean sample-size-weighted corrected (ρ) effect size and 80% CR represents the 80% credibility interval. I^2 denotes the percentage of variance across studies due to heterogeneity, with larger value of I^2 indicating more heterogeneity. *Q* is the chi-square test for homogeneity of corrected effect sizes ρ across studies, and *Q_b* represents the between-group test of homogeneity; a significant value indicates that moderator explains variability of effect sizes.

† $p < .10$

* $p < .05$

** $p < .01$

*** $p < .001$

TABLE 3
Meta-Analytic Correlations and Descriptive Statistics

	1	2	3	4	5	6	7	8
1. CEO Turnover	<i>0.80</i>							
2. TMT Turnover		<i>0.82</i>						
3. Acquisition Experience			<i>0.81</i>					
<i>r</i> (ρ)	-.04 (-.05)	-.03 (-.04)						
<i>CI</i> 95	-.08: .00	-.12: .07						
<i>CR</i> 80	-.05: -.05	-.20: .11						
<i>k</i> (<i>N</i>)	3 (709)	8 (902)						
4. Pre-Acquisition Performance				<i>0.81</i>				
<i>r</i> (ρ)	-.08 (-.09)	-.20 (-.24)	.05 (.06)					
<i>CI</i> 95	-.13: -.02	-.30: -.10	-.01: .10					
<i>CR</i> 80	-.19: .00	-.41: -.07	-.06: .17					
<i>k</i> (<i>N</i>)	9 (3,419)	9 (922)	11 (5,393)					
5. Industry Relatedness					<i>0.79</i>			
<i>r</i> (ρ)	-.03 (-.04)	.07 (.08)	-.03 (-.04)	-.03 (-.04)				
<i>CI</i> 95	-.09: .03	-.03: .16	-.06: .00	-.07: .01				
<i>CR</i> 80	-.13: .05	-.13: .30	-.16: .09	-.13: .06				
<i>k</i> (<i>N</i>)	6 (3,270)	12 (1,296)	38 (23,035)	15 (7,200)				
6. Relative Firm Size						<i>0.80</i>		
<i>r</i> (ρ)	-.01 (-.02)	-.01 (-.00)	-.08 (-.11)	-.03 (-.03)	.01 (.01)			
<i>CI</i> 95	-.10: .07	-.07: .05	-.11: -.05	-.06: .01	-.03: .05			
<i>CR</i> 80	-.07: .03	-.01: -.01	-.25: .03	-.03: -.03	-.12: .14			
<i>k</i> (<i>N</i>)	4 (1,075)	9 (1,070)	25 (16,939)	12 (3,486)	26 (10,499)			
7. Level of Integration							<i>0.82</i>	
<i>r</i> (ρ)	.26 (.32)	.28 (.33)	.11 (.14)	-.14 (-.18)	.18 (.23)	-.07 (-.08)		
<i>CI</i> 95	.14: .38	.09: .48	.06: .16	-.23: -.06	.06: .30	-.12: -.02		
<i>CR</i> 80	.21: .44	-.01: .66	.09: .18	-.21: -.14	-.13: .59	-.13: -.03		
<i>k</i> (<i>N</i>)	3 (955)	6 (620)	11 (1,793)	5 (593)	16 (2,243)	13 (1,863)		
8. Post-Acquisition Performance								<i>0.82</i>
<i>r</i> (ρ)	.10 (.13)	-.14 (-.17)	-.01 (-.01)	.01 (.01)	.01 (.02)	.06 (.07)	.10 (.12)	
<i>CI</i> 95	.05: .16	-.24: -.04	-.04: .02	-.07: .09	-.01: .04	.01: .11	.00: .19	
<i>CR</i> 80	.13: .13	-.40: .04	-.14: .12	-.19: .22	-.09: .13	-.17: .32	-.11: .35	
<i>k</i> (<i>N</i>)	2 (789)	11 (1,306)	38 (24,734)	12 (5,798)	49 (20,430)	35 (21,117)	13 (1,529)	

Note: Italicized numbers on the main diagonal are reliability coefficients. ρ is the mean true score (corrected) correlation; *r* is the observed correlation; *CI* 95: 95 percent confidence interval for ρ ; *CR* 80: 80 percent credibility interval for ρ ; *k*: number of studies used in computing ρ ; *N* is the sample size used in computing ρ .

Harmonic mean (TMT) = 1,862; Harmonic mean (CEO) = 1,840.

TABLE 4
Meta-Analytic Structural Equation Model Comparisons

Path coefficient	Top Management Team				CEO			
	Correlated predictor model	Proposed mediation model	Alternative ^a mediation model	Full mediation model	Correlated predictor model	Proposed mediation model	Alternative ^a mediation model	Full mediation model
TO → POST	-.25 ***	-.25 ***	-.24 ***	-.17 ***	.10 ***	.10 ***	.10 ***	.13 ***
PRE → POST	-.01	-.01	—	—	.04 †	.04 †	.04 †	—
EXP → POST	-.04 †	-.04 †	-.04 †	—	-.01	-.01	—	—
INT → POST	.22 ***	.22 ***	.21 ***	—	.11 ***	.11 ***	.10 ***	—
SIZ → POST	.09 ***	.09 ***	.09 ***	—	.08 ***	.08 ***	.09 ***	—
REL → POST	-.01	-.01	—	—	-.00	-.00	—	—
PRE → TO	—	-.19 ***	-.19 ***	-.19 ***	—	-.03	—	-.03
EXP → TO	—	-.07 **	-.07 **	-.07 **	—	-.10 ***	-.11 ***	-.10 ***
INT → TO	—	.30 ***	.30 ***	.30 ***	—	.36 ***	.37 ***	.36 ***
SIZ → TO	—	.00	—	-.00	—	.00	—	.00
REL → TO	—	.00	—	—	—	-.13 ***	-.13 ***	-.13 ***
R_{TO}^2	—	14.70%	14.70%	14.70%	—	13.00%	13.00%	13.00%
R_{POST}^2	7.50%	7.50%	7.50%	3.00%	3.20%	3.20%	3.20%	1.70%
χ^2	0	0	.48	87.82 ***	0	0	1.90	29.79 ***
df	0	0	4	4	0	0	4	5
RMSEA	0	0	.00	.11	0	0	.00	.05
SRMR	0	0	.00	.04	0	0	.01	.02
NFI	1	1	.99	.80	1	1	.99	.91
CFI	1	1	1.00	.81	1	1	1.00	.92
Total effects								
PRE on POST	—	.04 †	.05 ***	.03 ***	—	.04 †	.04 †	-.00
EXP on POST	—	-.02	-.02 **	.01 **	—	.03	.03	.01 ***
INT on POST	—	.14 ***	.14 ***	-.05 ***	—	.14 ***	.14 ***	.05 ***
Indirect effects								
PRE on POST	—	.05 ***	.05 ***	.03 ***	—	-.00	—	-.00
EXP on POST	—	.02 **	.02 **	.01 **	—	-.01 **	-.01 **	.01 ***
INT on POST	—	-.07 ***	-.07 ***	-.05 ***	—	.04 ***	.04 ***	.05 ***

Note: $N = 1,862$ acquisitions for Top Management Team, and $N = 1,840$ for CEO (on the basis of harmonic mean). TO = executive turnover; EXP = prior acquisition experience; PRE = pre-acquisition performance; SIZ = relative firm size; INT = level of integration; POST = post-acquisition performance; REL = industry relatedness (as a control variable).

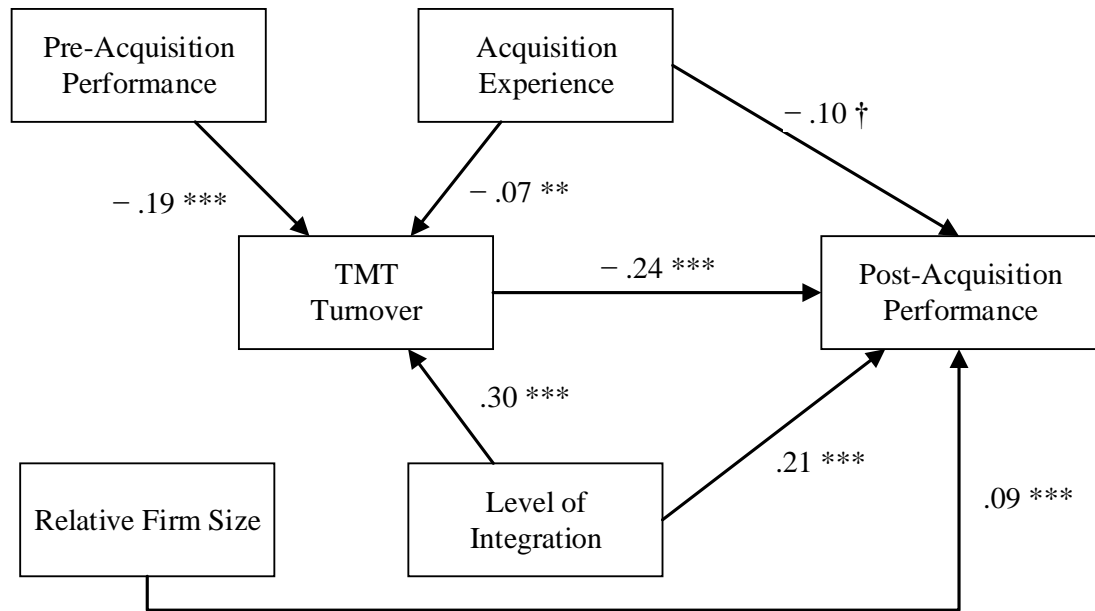
RMSEA = root mean square error of approximation; SRMR = standardized root mean residual; NFI = normed fit index; CFI = comparative fit index.

^a Best fitting model based on χ^2 difference tests and fit statistics.

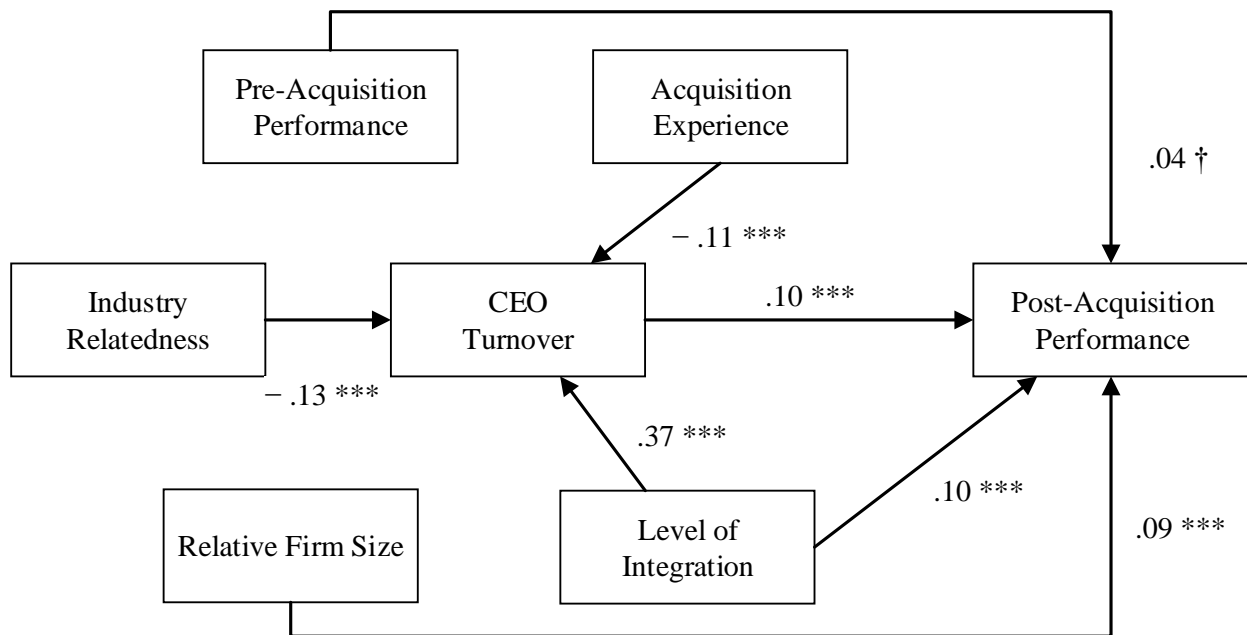
† $p < .10$, * $p < .05$, ** $p < .01$, *** $p < .001$

FIGURE 1
Structural Equation Modeling Results

A. TMT Turnover Alternative Mediation Model



B. CEO Turnover Alternative Mediation Model



$^{\dagger} p < .10$, $^{*} p < .05$, $^{**} p < .01$, $^{***} p < .001$

EXECUTIVE TURNOVER META-ANALYSIS - SUPPLEMENTAL

Meta-Analytic Structural Equation Models
Post-Acquisition Performance Measurement Comparisons

	Top Management Team					CEO	
	Original (all)	Acquiring firm	Combined post-acquisition firm	Combined post- acquisition or acquired firm	Perceptual measures of post-acquisition performance	Original (all)	Combined post-acquisition or acquiring firm
Harmonic Mean (N)	1862	1514	1464	1560	1170	1840	1831
TO \rightarrow POST (k)	11	5	4	6	4	2	2
TO \rightarrow POST	-.24 ***	-.18 ***	-.32 ***	-.34 ***	-.29 ***	.10 ***	.10 ***
PRE \rightarrow POST	—	-.12 ***	.06 *	.07 **	.25 ***	.04 †	.03
EXP \rightarrow POST	-.04 †	-.05 †	.03	.03	-.03	—	—
INT \rightarrow POST	.21 ***	.18 ***	.24 ***	.25 ***	.25 ***	.10 ***	.11 ***
SIZ \rightarrow POST	.09 ***	.09 ***	—	—	—	.09 ***	.09 ***
REL \rightarrow POST	—	—	-.07 **	-.05 *	.06 *	—	—
PRE \rightarrow TO	-.19 ***	-.19 **	-.19 ***	-.19 ***	-.19 ***	—	—
EXP \rightarrow TO	-.07 **	-.07 **	-.07 **	-.07 **	-.07 *	-.11 ***	-.11 ***
INT \rightarrow TO	.30 ***	.30 ***	.30 ***	.30 ***	.30 ***	.37 ***	.37 ***
SIZ \rightarrow TO	—	—	—	—	—	—	.00
REL \rightarrow TO	—	—	—	—	—	-.13 ***	-.13 ***
R_{TO}^2	14.70%	14.70%	14.70%	14.70%	14.70%	13.00%	13.00%
R_{POST}^2	7.50%	6.30%	12.10%	14.00%	17.70%	3.20%	3.40%
χ^2	.48	.05	.12	.04	.03	1.90	1.88
df	4	3	3	3	3	4	3
RMSEA	.00	.00	.00	.00	.00	.00	.00
SRMR	.00	.00	.00	.00	.00	.01	.01
NFI	.99	1.00	1.00	1.00	1.00	.99	.99
CFI	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Total effects							
PRE on POST	.05 ***	-.09 **	.12 ***	.14 ***	.30 ***	.04 †	.03
EXP on POST	-.02 **	-.03	.06 *	.05 *	-.01	.03	.01 ***
INT on POST	.14 ***	.12 ***	.15 ***	.15 ***	.16 ***	.14 ***	.15 ***
Indirect effects							
PRE on POST	.05 ***	.03 ***	.06 ***	.06 ***	.05 ***	—	—
EXP on POST	.02 **	.01 **	.02 **	.02 **	.02 *	-.01 **	-.01 **
INT on POST	-.07 ***	-.06 ***	-.10 ***	-.10 ***	-.09 ***	.04 ***	.04 ***

Note: TO = Turnover; EXP = prior acquisition experience; PRE = pre-acquisition performance; SIZ = relative firm size; INT = level of integration; POST = post-acquisition performance; REL = industry relatedness (as a control variable).

RMSEA = root mean square error of approximation; SRMR = standardized root mean residual; NFI = normed fit index; CFI = comparative fit index.

† $p < .10$

* $p < .05$

** $p < .01$

*** $p < .001$

Description of Constructs

Construct	Definition	Example Operationalizations
Top Management Team turnover	Proportion of top executives present at the time of the acquisition, who had departed post-acquisition (Cannella & Hambrick, 1993)	Cumulative TMT departure rates: Number of executives who had departed the acquired firm post-acquisition divided by the number of executives employed before the acquisition (e.g., Lubatkin et al., 1999) Extent of change in the executive leadership of the acquired firm after the acquisition (e.g., Zollo & Singh, 2004)
CEO turnover	Whether the acquired firm CEO has departed post-acquisition	Whether the acquired firm's CEO has departed post-acquisition (e.g., Dullard & Hawtrey, 2012)
Relative firm size	The size of the acquired firm relative to the acquiring firm (Ellis, Reus, Lamont, & Ranft, 2011; Zollo & Singh, 2004)	Ratio acquired firm's to acquiring firm's assets (e.g., Zollo & Singh, 2004) Ratio of acquired firm's sales to acquiring firm's sales (e.g., Heimeriks, Schijven, & Gates, 2012) Ratio of acquired firm's revenues to acquiring firm's revenues (e.g., Marsh, 2005) Ratio of the number of acquired firm's employees to the number of acquiring firm's employees (e.g., Schijven & Hitt, 2012) Ratio of the acquired firm's market capitalization to the sum of the acquired and acquiring firm's market capitalizations (e.g., King, Slotegraaf, & Kesner, 2008)
Acquisition experience	The stock of accumulated knowledge specific to managing the acquisition process (Singh & Zollo, 1998)	Total number of prior acquisitions (e.g., Ellis et al., 2011) Degree of experience prior to the acquisition (e.g., Yue, 2011)
Pre-acquisition performance	Multidimensional construct that refers to the extent to which financial objectives of the acquired firm are met pre-acquisition	Accounting-based: e.g., ROA ^a , ROE ^b (e.g., Hambrick & Cannella, 1993) Market-based: e.g., CAR ^c (e.g., Dullard & Hawtrey, 2012) Perceptual: perceived performance (e.g., Heimeriks et al., 2012) Growth: e.g., employment growth in the acquired firm (e.g., Krug & Nigh, 1998)

EXECUTIVE TURNOVER META-ANALYSIS - SUPPLEMENTAL

Level of integration	Degree of discretion granted to acquired firm's management with respect to strategy, systems, and procedures (Lubatkin et al., 1999)	Extent to which the separate functions and activities of the acquiring and the acquired firms were physically consolidated into one (e.g., Heimeriks et al., 2012) Extent of alignment and centralization of systems, procedures, employees, and products (e.g., Zollo & Singh, 2004) Level of autonomy granted to the acquired firm (e.g., Hambrick & Cannella, 1993)
Post-acquisition performance	Multidimensional construct that refers to the extent to which financial objectives are met post-acquisition	Accounting-based: ROA ^a (e.g., Bergh, 2001) Market-based: CAR ^c (e.g., Cording et al., 2008) Perceptual: perceived performance (e.g., Kiessling et al., 2008)
Industry relatedness	The extent of similarity between acquired and acquiring firms with respect to processes and product offerings, (Ellis et al., 2011)	Extent to which an acquiring firm's primary SIC codes are related to the acquired firm's primary SIC codes (e.g., Bergh, 2001) Classification based on Federal Trade Commission's five-fold category system (e.g., Walsh, 1989) Perceived relatedness/strategic fit between acquired and acquiring firms (e.g., Saxton & Dollinger, 2004)

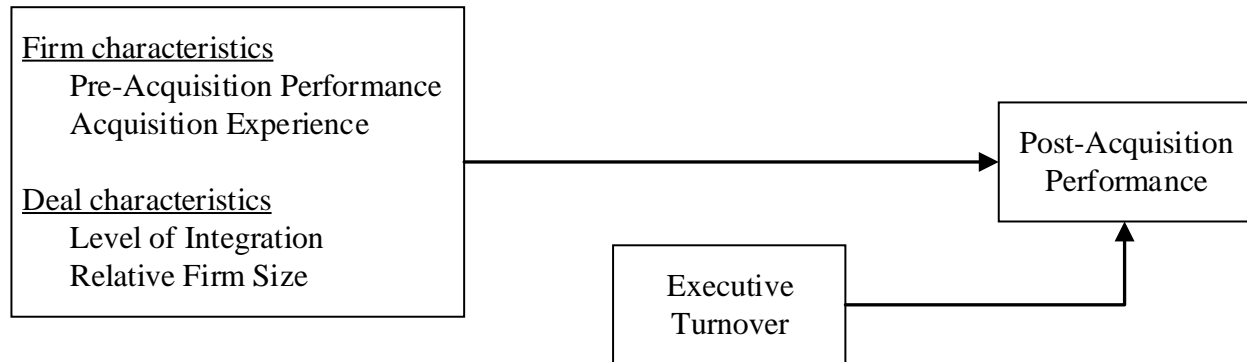
^aROA = return on assets; ^bROE = return on equity; ^cCAR = cumulative abnormal returns

Sources of Studies Included in the Meta-Analysis

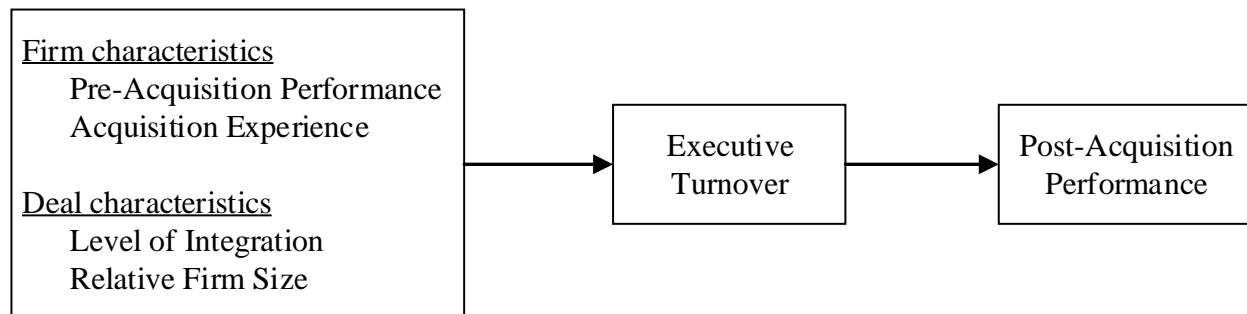
Study Type	Number of studies
Journals	
Academy of Management Journal	9
Accounting Review	1
Administrative Science Quarterly	1
Applied Financial Economics	1
Canadian Journal of Administrative Sciences	1
Corporate Governance-an International Review	1
European Financial Management	1
European Journal of International Management	1
Global Journal of Business Research	1
Human Relations	2
Information Systems Research	1
The International Journal of Human Resource Management	1
International Studies of Management & Organization	2
Journal of Applied Corporate Finance	1
Journal of Banking & Finance	1
Journal of Business Research	1
Journal of Economic and Social Studies	1
Journal of Finance	3
Journal of Financial Research	1
Journal of International Business Studies	2
Journal of International Management	2
Journal of Leadership and Organizational Studies	1
Journal of Management	7
Journal of Management Studies	1
Journal of Marketing	1
Journal of Marketing Research	1
Journal of Multinational Financial Management	1
Journal of World Business	6
Management Decision	1
Management International Review	1
Management Science	1
Organization Science	5
Review of Pacific Basin Financial Markets & Policies	1
Service Industries Journal	1
Strategic Management Journal	35
The Journal of High Technology Management Research	1
Book Chapters	3
Conference papers	2
Working papers	6
Dissertations	3

Models of the Relations Among Firm and Deal Characteristics, Executive Turnover, and Post-Acquisition Performance

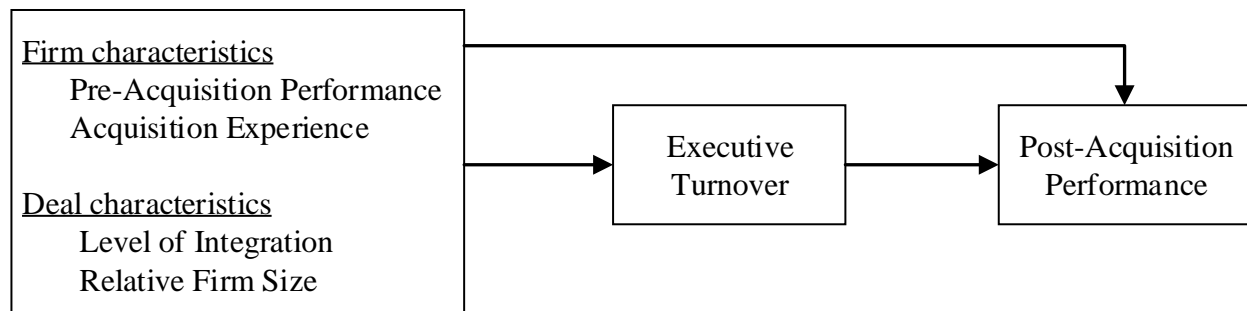
A. Correlated predictor model



B. Full mediation model



C. Proposed mediation model



Studies Included in the Meta-Analysis

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EXECUTIVE TURNOVER META-ANALYSIS - SUPPLEMENTAL

Note: Asterisks denote references in supplemental table.